IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of: Bates et al.	§	Filed: December 27, 2000
	§	
	§	Group Art Unit: 2421
Serial No.: 09/749,106	§	
	§	Examiner: Ngoc K. Vu
Confirmation No.: 6268	§	

For: Method and System for Pricing a Programming Event Viewed by Subscriber Group

MAIL STOP APPEAL BRIEF - PATENTS
Commissioner for Patents
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December 9, 2008 /Joseph Jong/
Date Joseph Jong

Dear Sir:

APPEAL BRIEF

Applicants submit this Appeal Brief to the Board of Patent Appeals and Interferences on appeal from the decision of the Examiner of Group Art Unit 2421 dated June 10, 2008, finally rejecting claim 5. The final rejection of claim 5 is appealed. This Appeal Brief is believed to be timely since it is transmitted by the due date of December 10, 2008, as set by the filing of a Notice of Appeal on October 10, 2008.

The fee of $540.00 for filing this brief is paid herewith via credit card payment.

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Real Party in Interest

The present application has been assigned to International Business Machines Corporation, Armonk, New York.

Related Appeals and Interferences

Applicant asserts that no other appeals or interferences are known to the Applicant, the Applicant's legal representative, or assignee which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

Status of Claims

Claim 5 is pending in the application. Claims 1-29 were originally presented in the application. Claims 30 and 31 have been added during prosecution. Claims 1-4 and 6-31 have been canceled. Claim 5 stands finally rejected as discussed below. The final rejection of claim 5 is appealed. The pending claim is shown in the attached Claims Appendix.

Status of Amendments

All claim amendments have been entered by the Examiner. No amendments to the claims were proposed after the final rejection.

Summary of Claimed Subject Matter

A. CLAIM 5 – INDEPENDENT

Claim 5 provides a method for determining a price of a program transmitted by a programming provider to subscribers. The method includes receiving, via a network connection, a purchase order for a program from a subscriber belonging to a subscriber group defined by two or more subscribers, wherein each subscriber belonging to the subscriber group maintains an independent account with the programming provider whereby the subscriber pays the programming provider in order to receive paid for programming, wherein each subscriber belonging to the subscriber group may elect to purchase or not purchase the program, and wherein the programming provider maintains a plurality of subscriber groups, wherein each group includes a subset of subscribers and wherein members of each subscriber group are determined prior to an offer to purchase the program. *See, e.g.*, Figure 1, 110; Figure 9, 904 and 908; p. 3, lines 25-27; p. 4, lines 25-32; p. 5, lines 10-18 p. 8, lines 11-13; p. 12, lines 12-26. The method further includes offering, to a first subscriber group of the plurality of subscriber groups, the program to purchase at a predetermined price. *See, e.g.*, Figure 6; Figure 7, 734 and 736; p. 11, 7-20. The method further includes determining a first price for the purchase order if the program has been purchased by a threshold number of subscribers belonging to the first subscriber group. *See, e.g.*, Figure 7, 734 and 736; p. 11, 14-20. The method further includes determining a second price, higher than the first price, if the program has not been purchased by the threshold number of subscribers belonging to the first subscriber group, wherein the threshold number of subscribers belonging to the first subscriber group purchasing the program is all the subscribers of the first subscriber group. *See, e.g.*, Figure 7, 734 and 736; p. 11, 14-20.

Grounds of Rejection to be Reviewed on Appeal

1. Rejection of claim 5 under 35 U.S.C. § 103(a) as being unpatentable over *Bonomi et al.* (U.S. Patent No. 6,769,127, hereinafter *Bonomi*) in view of *Sartain et al.* (US 5,914,712, hereinafter *Sartain*) and in further view of *Pallakoff* (U.S. Patent No. 6,269,343).

ARGUMENTS

1. Rejection of claim 5 under 35 U.S.C. § 103(a) as being unpatentable over *Bonomi* in view of *Sartain* and in further view of *Pallakoff*.

The Applicable Law

The Examiner bears the initial burden of establishing a prima facie case of obviousness. See MPEP § 2141. Establishing a prima facie case of obviousness begins with first resolving the factual inquiries of Graham v. John Deere Co. 383 U.S. 1 (1966). The factual inquiries are as follows:

(A) determining the scope and content of the prior art;

(B) ascertaining the differences between the claimed invention and the prior art;

(C) resolving the level of ordinary skill in the art; and

(D) considering any objective indicia of nonobviousness.

Once the Graham factual inquiries are resolved, the Examiner must determine whether the claimed invention would have been obvious to one of ordinary skill in the art.

Respectfully, Applicants submit that the Examiner has not properly characterized the teachings of the references and/or the claims at issue. Accordingly, a prima facie case of obviousness has not been established.

The References

Bonomi is directed to a method and system for delivering media services and application over networks. *See Bonomi,* Title.

Sartain discloses an interactive video system which provides for the distribution of digital video programs to a predetermined group of subscribers. Video programs are broadcast to the group of subscribers, each of whom then each have the option of selecting one of the digital via programs for broadcast to the group. *See Sartain,* Abstract.

Pallakoff is directed to a method and system for marketing products and services utilizing the internet. *See Pallakoff*, Col. 1, Lines 11-13.

The Examiner's Argument

The Examiner states that *Bonomi* teaches receiving a purchase order for a program from a subscriber belonging to a subscriber group defined by two or more subscribers, wherein each subscriber belonging to the subscriber group maintains an independent account with the programming provider whereby the subscriber pays the programming provider in order to receive paid for programming, wherein each subscriber belonging to the subscriber group may elect to purchase or not purchase the program. The Examiner concedes that the *Bonomi* does not teach a plurality of subscriber groups, wherein each group includes a subset of subscribers and wherein members of each subscriber group are determined prior to an offer to purchase a program. The Examiner submits, however, that the *Sartain* does teach these limitations and that it would be obvious to modify the *Bonomi* based on the teachings of the *Sartain*. The Examiner further submits that *Pallakoff* discloses offering, to a first subscriber group of the plurality of subscriber groups, the program to purchase at a predetermined price; determining a first price for the purchase order if the program has been purchased by a threshold number of subscribers belonging to the first subscriber group; and determining a second price, higher than the first price, if the program has not been purchased by the threshold number of subscribers belonging to the first subscriber group, wherein the threshold number of subscribers belonging to the first subscriber group purchasing the program is all the subscribers of the first subscriber group. The Examiner concludes that it would have been obvious to modify *Bonomi* based on the teachings of *Pallakoff*.

Applicants' Response to the Examiner's Argument

"[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness". *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006); cited with approval in *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1740-41 (2007). In this case, Applicants respectfully submit that the reasons

given by the Examiner to support the modification are mere conclusory statements that have no rational underpinning.

For example, the Examiner states that subscribers may be defined as a subscriber group according to their common location on the same block of a street or by the language that they speak, as disclosed by the *Sartain*, in order to help an operator at the provider to "easily update the list of subscribers and/or distribute programming to subscribers in an effective manner". Final Office Action, page 3. However, the Examiner gives no reason why modifying *Bonomi* to include subscriber groups would facilitate updating the list of subscribers and/or allow for the effective distribution of programming. In fact, Applicants respectfully submit that these objectives are already achieved by the *Bonomi* and are in no way further facilitated by the proposed modification. For example, updating the record for "Customer X" is in no way facilitated by defining a subscriber group that includes "Customer X". In either case, the provider must still select and edit the record corresponding to Customer X.

In fact, Applicants submit that *Bonomi* actually teaches away from the modifications suggested by the Examiner. One of the objectives of the *Bonomi* is to achieve a higher level of granularity in order to customize the service of individual users:

> Yet another aspect of the invention is that services provided by the media delivery system can be restricted differently for different users of a common subscriber account. *Bonomi*, paragraph 2, lines 49-51.

Therefore, any content delivery model that determines services provided to subscribers by treating the subscribers as a group, rather than individuals, is directly contrary to one of the objectives of the *Bonomi*. Therefore, the *Bonomi* teaches away from the modifications suggested by the Examiner.

Therefore, the claims are believed to be allowable, and allowance of the claims is respectfully requested.

CONCLUSION

The Examiner errs in finding that claim 5 is unpatentable over *Bonomi* in view of *Sartain* and in further view of *Pallakoff* under 35 U.S.C. § 103(a).

Withdrawal of the rejection and allowance of claim is respectfully requested.

Respectfully submitted, and
S-signed pursuant to 37 CFR 1.4,

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CLAIMS APPENDIX

1.-4. (Canceled)

5. (Previously Presented) A method for determining a price of a program transmitted by a programming provider to subscribers, comprising:

receiving, via a network connection, a purchase order for a program from a subscriber belonging to a subscriber group defined by two or more subscribers, wherein each subscriber belonging to the subscriber group maintains an independent account with the programming provider whereby the subscriber pays the programming provider in order to receive paid for programming, wherein each subscriber belonging to the subscriber group may elect to purchase or not purchase the program, and wherein the programming provider maintains a plurality of subscriber groups, wherein each group includes a subset of subscribers and wherein members of each subscriber group are determined prior to an offer to purchase the program;

offering, to a first subscriber group of the plurality of subscriber groups, the program to purchase at a predetermined price;

determining a first price for the purchase order if the program has been purchased by a threshold number of subscribers belonging to the first subscriber group; and

determining a second price, higher than the first price, if the program has not been purchased by the threshold number of subscribers belonging to the first subscriber group, wherein the threshold number of subscribers belonging to the first subscriber group purchasing the program is all the subscribers of the first subscriber group.

6-31. (Canceled)

EVIDENCE APPENDIX

None.

RELATED PROCEEDINGS APPENDIX

None.